Who currently owns life insurance?

- More than half of American adults (54%) own some type of life insurance.
- In January 2020, prior to the coronavirus pandemic, 36% of Americans who didn’t currently own life insurance said they intended to purchase it within the next 12 months.
- In May, more than half of Americans (53%) expressed a heightened need for life insurance because of COVID-19.
- Women are less likely to own life insurance than men. Just 47% of women own life insurance, compared with 53% of men who own life insurance.

Why do Americans own life insurance?

- The top reasons for owning life insurance are:
  - Paying for burial costs and final expenses (84%)
  - Transferring wealth across generations (66%)
  - Replacing lost wages or income (62%)
  - Supplementing retirement income (57%)
- Between 2018 and 2020, reasons for having life insurance changed—wanting burial/final expenses declined in 2020, and saving for retirement increased.

Why don’t people own life insurance?

- Sixteen percent of consumers—41 million Americans—say they need life insurance coverage but don’t have it.
- The top three reasons to not purchase (or to not purchase more) life insurance are:
  - They have other financial priorities (67%)
  - It is too expensive (65%)
  - They don’t feel they need it (56%)
- Many also overestimate the cost of life insurance. Half (50%) of Millennials believe the estimated yearly cost for a $250,000 term life policy for a healthy 30-year-old is $1,000 or more when, in actuality, it’s closer to $160 per year.
How do people buy life insurance?

- In 2011, 64% of consumers said they preferred buying insurance face-to-face; by 2020, just 41% felt this way.
- Consumers who prefer internet/online sales grew from 17% in 2011 to 29% in 2020.
- Half (50%) of Americans are more likely to buy life insurance if simplified underwriting is used. Consumers prefer simplified underwriting because it:
  - Is fast and easy – 66%
  - Is unbiased and objective – 58%
  - Provides transparent explanations of risks and pricing – 58%
  - Avoids medical exams, blood and urine samples – 56%
  - Avoids the need to see a doctor – 55%
- Almost half (49%) of Millennials are more likely to buy life insurance using simplified underwriting.

How is social media changing the way people learn about life insurance?

- Over one third of Americans (34%) say they go directly to the company’s website when researching an insurance brand.
- Facebook and YouTube are the most popular sites when searching for financial topics. Between 2019 and 2020, Facebook use doubled from 13% to 26% and YouTube use grew from 8% to 17%.
- Currently, 1 in 4 consumers are looking for an adviser via social media—a rise of 64% in the past three years.
- More than one third (32%) of Millennials are using social media to find a financial advisor.
- Among Millennials, Facebook (43%) has the highest-rated importance to those looking for financial professionals. LinkedIn (33%) and YouTube (31%) have comparable importance ratings for the younger generation.

All facts are from several of LIMRA’s life insurance consumer studies. Fact sheet may be reproduced in whole or in part if attributed to LIMRA.

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